

### **Regulatory Parity Is a Fundamental Requirement for Spectrum Management.**

The FCC must promulgate "technical requirements that are comparable to the technical requirements that apply to licensees that are providers of substantially similar [commercial] services." *Fresno Mobile Radio, Inc. v. FCC*, 165 F.3d 965, 967 (D.C. Cir. 1999) (quoting Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 6002(d)(3)(B), 107 Stat. 312 (1993)).

<b>Discriminatory Aspects of The Consensus Plan</b>		
<b>Post-Consensus Plan</b>	<b>Nextel</b>	<b>Southern LINC</b>
<b>Spectrum Characteristics</b>	<ul style="list-style-type: none"><li>• Contiguous Former NPSPAC Channels</li><li>• Cleared of Incumbents</li><li>• Interference-Free Spectrum</li></ul>	<ul style="list-style-type: none"><li>• Interleaved, Guard Band and Lower 80 Channels, Non-Contiguous</li><li>• Receives Encumbered Spectrum</li><li>• Interference-Prone Spectrum</li></ul>
<b>Cellular Restrictions</b>	<ul style="list-style-type: none"><li>• Complete Flexibility to Use Cellular Architecture</li><li>• Flexible Technical and Licensing Standards</li><li>• Transferable – Replacement spectrum is easier (and more lucrative) to assign or lease because of regulatory status as commercial spectrum</li></ul>	<ul style="list-style-type: none"><li>• Non-Cellular Band/Restriction Placed on System Design</li><li>• Non-CMRS Technical Standards (e.g., Power and Emission Restrictions)</li><li>• Non-Transferable – Replacement spectrum has use restrictions that limit assignability and otherwise reduce value</li></ul>
<b>Equipment</b>	<ul style="list-style-type: none"><li>• Has Advantage of Operating in Commercial Band, Which Will Have Maximum Vendor Support</li></ul>	<ul style="list-style-type: none"><li>• Left with Uncertain Vendor Support Because Operations Will Be in Non-Commercial, Non-Contiguous Portion of Band</li></ul>

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<b>Post-Consensus Plan</b>	<b>Nextel</b>	<b>Southern LINC</b>
<b>Spectrum Auctions</b>	<ul style="list-style-type: none"> <li>• Delivers Spectrum Windfall <ul style="list-style-type: none"> <li>~ Increases Value of Spectrum Holdings by \$1.3 to \$6.5 Billion* at the Expense of Auction Licensees</li> <li>~ Acquires 10 MHz of 1.9 GHz Spectrum without Auction for Bargain Price of \$850 Million</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Upsets Settled Expectations and Distorts Market Mechanism <ul style="list-style-type: none"> <li>~ Loses Value of \$52 Million Spent for EA Licenses with Specific Spectrum Characteristics, Technical Rules, and Equipment Availability</li> <li>~ Receives No Opportunity to Negotiate Private Spectrum Purchase from FCC</li> </ul> </li> </ul>
<b>Spectrum Exchange</b>	<ul style="list-style-type: none"> <li>• Trades Interleaved Site-Based and Encumbered EA Channels for Clear, Contiguous Former NPSPAC Channels</li> <li>• Receives Uniform Assignment of Former NPSPAC Spectrum Nationwide, Despite Regional Fluctuations in Interleaved Holdings</li> <li>• Allowed to Trade 700 and 900 MHz Channels With Significant Restrictions For Clear Spectrum Nationwide</li> </ul>	<ul style="list-style-type: none"> <li>• Trades Interleaved Site-Based and Encumbered (and Clear), Contiguous EA Channels for Restricted Spectrum</li> <li>• Receives No Contiguous Spectrum</li> <li>• Not Allowed to Trade-in Spectrum</li> </ul>

\* Comments of ALLTEL Communications, Inc., AT&T Wireless Services, Inc., Cingular Wireless LLC, Sprint Corporation, Southern LINC, and United States Cellular Corporation 9 n.36 (Feb. 10, 2003) (citing a Legg Mason study estimating that the Consensus Plan would result in a \$1.3 billion net increase in the value of Nextel's spectrum holdings); Ex Parte of Verizon Wireless, WT Docket No. 02-55 (Oct. 27, 2003) (attaching study by Kane Reece and Associates projecting an increase in the value of Nextel's spectrum holdings by \$6,485,000,000).

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<b>Post-Consensus Plan</b>	<b>Nextel</b>	<b>Southern LINC</b>
<b>Relocation Coordination Committee ("RCC")</b>	<ul style="list-style-type: none"> <li>• Direct Representation</li> <li>• No Disclosure Obligation</li> <li>• Controls Timing of Relocation Negotiations</li> <li>• Obtains Access to Competitors' Information</li> </ul>	<ul style="list-style-type: none"> <li>• No Representation</li> <li>• Overly Broad Disclosure of Sensitive Information to Primary Competitor</li> <li>• Must Wait to Receive Proposal from Nextel and Given Short Deadline to Reach Agreement With Nextel</li> <li>• Receives Inadequate Assurances of Confidentiality</li> </ul>